

## **Publication of a methodology for monitoring the evolution of trading and post-trading prices, costs and volumes**

The Commission today publishes a methodology for monitoring the evolution of trading and post-trading prices, costs and volumes developed by Oxera Consulting Ltd.

The methodology foresees the collection of trading and post-trading data. This data will generate a number of indicators, which will illustrate changes to prices, costs and volumes of domestic and cross-border transactions over time within and between different markets. The indicators will also demonstrate why these changes occur. Overall, the methodology will track developments across time at a given place, rather than compare places at a given time.

It is important for the Commission to know how and why trading and post-trading prices and costs evolve. However, this is easier said than done, as measuring the prices and costs of trading and post-trading securities services is complex. Several studies have tried, with most concluding that cross-border prices and costs are considerably higher than the corresponding costs and prices for domestic transactions. While useful, none of the results have been universally accepted as providing an accurate description of the prices or costs incurred by investors in acquiring post-trade services in Europe.

The objective of this contract was therefore to develop a solid methodology. The Commission considers that Oxera's methodology – developed in close consultation with the securities industry – provides that solid base. Accordingly, the Commission believes that its regular application will improve the transparency of the current market outcome and will identify where market efficiencies are being delivered. It will also provide an element in the Commission's continuous evaluation of its policy stance.

The work on applying this methodology will start in September 2007. The Commission and Oxera will engage with the institutions covered by the methodology in order to discuss the modalities for supplying data.

For further queries, please contact Mattias LEVIN (+32/2/295 1811, [Mattias.Levin@ec.europa.eu](mailto:Mattias.Levin@ec.europa.eu))